

**Delaware Office of Minority and Women Business Enterprise**

# **Minority and Women Business Spend Analysis**

**Fiscal Year 2011**

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Enterprise**

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## Executive Summary

The below report is an annual report on the certified minority and women business enterprise spend (MWBE). This report includes the Delaware Department of Transportation's (DelDOT) federally mandated Disadvantaged Business Enterprise subcontracting spend for federally assisted highway projects and voluntarily subcontracting information from central contracting. The purpose of this report is to: identify agency certified minority and women business enterprise spend; analyze the population of certified minority and women business enterprises; identify successes and opportunities for growth. It should be noted that the goal of the report is not diagnose the entire state supplier diversity process as reflected in the agency supplier diversity plans as well as the Supplier Diversity Council report, but rather provide a MWBE spend analysis report for fiscal year 2011. This report should also be used to enhance the respective agency supplier diversity plans for FY12. Highlights from the fiscal year 2011 are as follows:

- There was an approximate increase of 29% of the number of minority and women businesses that have received direct monies from the State from FY10 to FY11. This represents an approximate increase of 50 MWBEs.
- There was an approximate increase of 30% of minority and women business direct spend, which is defined as direct monies paid to a MWBE excluding subcontracting monies, from FY10 to FY11. Which is approximately \$12.3 million;
- The Executive Agency with the highest number of direct spend of certified minority and women business enterprises was Department of Health and Social Services (DHSS), with 49 MWBEs;
- The Executive Agency with the highest direct spend for certified minority and women business enterprises was Department of Transportation, a total of \$7.65 million;
- In FY11, 48% or 131 of the total MWBE vendors increased direct contracted business revenues from the State compared to FY10;
- In FY11, 54 or 23% of the MWBE vendors represented new businesses compared to FY10;
- In FY11, Government Support Services (GSS) MWBE direct spend under contract increased by approximately \$7.6 million or 220%.

MWBE data reports from FY06 to current are posted on the Office of Minority and Women Business Enterprise web site at <http://gss.omb.delaware.gov/omwbe/newsroom.shtml> and in the appendix.

## Minority and Women Business Enterprise Spending Snapshot

The below table presents the adjusted\*\* minority and women business enterprise spend.

### Minority and Women Business Enterprise Spending Snapshot

<b>FY11</b>	<b>\$</b>	<b>Percent of MWBE</b>	<b>Percent of Total Adjusted Spend</b>
Direct Certified MWBE Spend*	\$53,778,860.42	84.64%	3.68%
DeIDOT DBE Subcontracting	\$6,920,209.07	10.89%	0.47%
MWBE Subcontracting	\$286,581.64	0.45%	0.02%
Self Registered W-9^	\$2,549,793.34	4.01%	0.17%
<b>Total</b>	<b>\$63,535,444.47</b>	<b>100.00%</b>	<b>4.35%</b>
<b>Total FY11 Adjusted Spend</b>	<b>\$1,461,748,028.71</b>		

The data below is not reflected in the above table as a result of the limited ability to accurately identify all spend information, which will disproportionately affect the total FY11 adjusted spend. For example, the analysis of daycare funding, which is a new metric in the FY11 report, was calculated based on a formula from a sample population of daycares. Greater analysis of the data is provided in the subcontracting section of the report.

	<b>FY11 Funding</b>
Delaware Transit Corporation	\$577,769.40
Delaware State Housing Authority	\$414,992.00
Delaware State Housing Authority - Self Certified	\$4,010,051.00
Daycare Services	\$27,253,125.00
<b>Total</b>	<b>\$32,255,937.40</b>

\* Monies paid to an OMWBE certified MWBE excluding subcontracting monies

^ Data extracted from the online W-9 database where business can select minority or women owned business without providing documentation from OMWBE or any other certifying organization. This data does not represent MWBE spend but is displayed to communicate the importance of OMWBE certification.

\*\*Adjusted spend is defined by extracting United Nations Services Products Specification Codes (UNSPSC) codes that are not applicable to OMWBE spend. For example – Medicaid and Medicare, university and colleges, lotteries services, cancer or leukemia prevention, credit card service providers, Infant or child daycare service, electric utilities, financial assistance, administrative fees or tax collections, lease and rental of property, sale of property and building, delivered meals services, foster home care services, tuition reimbursement programs, educational incentives, adult education, vehicle rental, taxes other than income tax.

## Direct certified minority and women business enterprise spend for FY10 – FY11 including P card purchases excluding subcontracting

### Table highlights

It should be noted that the data below is a comparison from the previous year and should not be used as a baseline for measuring success or sustainability, but as an observation of identifying the dollar amount for certified MWBEs an agency utilized in the respective year. For previous year data, please visit the OMWBE web site or the appendix.

- There was a 30% overall increase of MWBE spend from FY10.
- Department of Correction (DOC), Department of Transportation (DTI) and Department of Safety and Homeland Security (DSHS) increased the dollar amount significantly from FY10.
- It should also be noted the Department of Technology and Information and the Department of State, represented significant percentage increases from previous year although the dollar amount was not as significant as the aforementioned agencies.

Department	FY11 MWBE	FY10 MWBE
Legislative	\$2,350.00	\$955.64
Judiciary	\$510,014.14	\$448,496.42
Executive	\$3,507,968.51	\$2,329,820.59
Technology	\$179,973.11	\$19,585.69
Other Elective	\$94,091.90	\$80,827.32
Legal	\$210,553.35	\$63,928.07
State	\$708,416.27	\$266,947.08
Finance	\$2,641,591.13	\$2,643,505.53
DHSS	\$3,986,562.78	\$3,400,058.06
DSCYF	\$816,275.71	\$680,889.97
Correction	\$6,161,034.07	\$79,007.87
DNREC	\$1,059,141.15	\$1,691,786.52
DSHS	\$2,941,056.16	\$1,476,999.28
DelDOT	\$7,653,903.99	\$4,948,956.98
Labor	\$826,473.61	\$1,096,043.83
Agriculture	\$10,917.54	\$23,699.88
Elections	\$138,595.00	\$10,593.00
Fire	\$7,985.16	\$6,134.75
Natl Guard	\$448,012.31	\$748,013.80
Exc. Citizens	\$2,100.00	\$0.00
Higher Ed	\$1,433,361.49	\$1,740,719.94
Education	\$20,438,483.04	\$19,729,907.33
Total	\$53,778,860.42	\$41,486,877.55

## Department percent of total direct Minority and Women Business Enterprise Spend

### Table highlights

- DelDOT and DOC account for 14% and 11% respectively of total direct minority and women business enterprise spend.
- The Department of Education, inclusive of the school districts, accounted for approximately 38% of the direct certified minority and women business enterprise spend.

Department	FY11 MWBE	% of Total
Legislative	\$2,350.00	0.00%
Judiciary	\$510,014.14	0.95%
Executive	\$3,507,968.51	6.52%
Technology	\$179,973.11	0.33%
Other Elective	\$94,091.90	0.17%
Legal	\$210,553.35	0.39%
State	\$708,416.27	1.32%
Finance	\$2,641,591.13	4.91%
DHSS	\$3,986,562.78	7.41%
DSCYF	\$816,275.71	1.52%
Correction	\$6,161,034.07	11.46%
DNREC	\$1,059,141.15	1.97%
DSHS	\$2,941,056.16	5.47%
DelDOT	\$7,653,903.99	14.23%
Labor	\$826,473.61	1.54%
Agriculture	\$10,917.54	0.02%
Elections	\$138,595.00	0.26%
Fire	\$7,985.16	0.01%
Natl Guard	\$448,012.31	0.83%
Exc. Citizens	\$2,100.00	0.00%
Higher Ed	\$1,433,361.49	2.67%
Education	\$20,438,483.04	38.00%
Total	\$53,778,860.42	

## Quantity of Contracted Minority and Women Business Enterprises

The below table identifies the number of direct contracted certified minority and women business enterprises. All executive agencies except Department of Natural Resources and Environment Control (DNREC) showed increases from previous fiscal year.

Table highlights

- There was a 28% overall increase of MWBE vendors from FY10.
- Department of Health and Social Services (DHSS) utilized the most MWBE vendors in FY11.
- Department of Correction (DOC) showed significant increase from previous fiscal year with an increase of utilization of 15 MWBEs.
- The school districts accounted for the largest number of MWBEs and also had the highest number MWBE increase of 21.

Department	%Chg LY	FY11	%Chg LY	FY10
Legislative	100%	2	0%	1
Judiciary	-28%	18	25%	25
Executive	2%	44	14%	42
Technology	100%	6	50%	3
Other Elective	13%	9	167%	8
Legal	100%	12	-33%	6
State	14%	24	50%	21
Finance	71%	12	17%	7
DHSS	4%	49	24%	47
DSCYF	24%	26	62%	21
Correction	500%	18	-75%	3
DNREC	-3%	35	33%	36
DSHS	29%	18	27%	14
DeIDOT	26%	39	0%	31
Labor	44%	26	0%	18
Agriculture	0%	6	20%	6
Elections	133%	7	50%	3
Fire	0%	4	0%	4
Natl Guard	0%	10	43%	10
Exc. Citizens	100%	1	0%	0
Higher Ed	74%	33	-14%	19
Education	23%	114	3%	93
<b>Total</b>	<b>30%</b>	<b>232</b>	<b>17%</b>	<b>179</b>



## Adjusted Department Spend and Direct Minority and Women Business Spend FY11- FY10 of Contracted Minority and Women Business Enterprises

It should be noted the some departments showed significant increases total department spend. It is believed that this is a result of greater detail and indentifying expenses in the new accounting system.

Table highlights

- Although DSHS spend increased significantly from FY10, the MWBE percent increased.
- DOC had the highest percentage of MWBE spend with approximately 12%.

Department	FY11 Total	FY 11 MWBE	MWBE %	FY10 Total	FY10 MWBE	MWBE
Legislative	\$1,632,795.36	\$2,350.00	0.14%	\$1,273,425.41	\$955.64	0.00%
Judiciary	\$10,804,587.79	\$510,014.14	4.72%	\$13,428,939.91	\$448,496.42	3.34%
Executive	\$94,894,793.08	\$3,507,968.51	3.70%	\$79,418,655.61	\$2,329,820.59	2.93%
Technology	\$26,534,481.39	\$179,973.11	0.68%	\$27,044,951.44	\$19,585.69	0.07%
Other Elective	\$25,277,148.34	\$94,091.90	0.37%	\$21,853,194.38	\$80,827.32	0.37%
Legal	\$3,597,868.22	\$210,553.35	5.85%	\$2,490,954.58	\$63,928.07	2.57%
State	\$25,934,529.19	\$708,416.27	2.73%	\$15,671,316.02	\$266,947.08	1.70%
Finance	\$68,822,887.95	\$2,641,591.13	3.84%	\$49,154,111.07	\$2,643,505.53	5.38%
DHSS	\$198,514,759.65	\$3,986,562.78	2.01%	\$195,698,949.26	\$3,400,058.06	1.74%
DSCYF	\$44,094,733.10	\$816,275.71	1.85%	\$26,803,950.51	\$680,889.97	2.54%
Correction	\$52,728,200.86	\$6,161,034.07	11.68%	\$25,767,244.34	\$79,007.87	0.31%
DNREC	\$85,955,387.69	\$1,059,141.15	1.23%	\$42,541,031.18	\$1,691,786.52	3.98%
DSHS	\$37,733,964.45	\$2,941,056.16	7.79%	\$24,284,809.44	\$1,476,999.28	6.08%
DeIDOT	\$338,204,882.28	\$7,653,903.99	2.26%	\$274,703,889.70	\$4,948,956.98	1.80%
Labor	\$16,043,397.80	\$826,473.61	5.15%	\$17,429,984.23	\$1,096,043.83	6.29%
Agriculture	\$4,640,160.12	\$10,917.54	0.24%	\$3,056,896.63	\$23,699.88	0.78%
Elections	\$2,213,449.12	\$138,595.00	6.26%	\$827,520.05	\$10,593.00	1.28%
Fire	\$1,507,959.60	\$7,985.16	0.53%	\$1,433,570.59	\$6,134.75	0.43%
Natl Guard	\$13,422,880.51	\$448,012.31	3.34%	\$10,666,673.05	\$748,013.80	7.01%
Exc. Citizens	\$12,378.95	\$2,100.00	16.96%	\$15,727.60	\$0.00	0.00%
Higher Ed	\$33,659,052.49	\$1,433,361.49	4.26%	\$20,006,360.58	\$1,740,719.94	8.70%
Education	\$375,517,730.77	\$20,438,483.04	5.44%	\$456,522,392.94	\$19,729,907.33	4.32%
	\$1,461,748,028.71	\$53,778,860.42	3.68%	\$1,310,094,548.52	\$41,486,877.55	3.17%

## Federal Government Supplier Diversity Analysis

The annual Scorecard assessment, which is not included in the below is an assessment tool to (1) measure how well federal agencies reach their small business and socio-economic prime contracting and subcontracting goals, (2) provide accurate and transparent contracting data and (3) report agency-specific progress. The prime and subcontracting component goals include goals for small businesses, small businesses owned by women, small disadvantaged businesses, service-disabled veteran-owned small businesses, and small businesses located in Historically Underutilized Business Zones (HUBZones).

- To view individual agency scorecards and detailed explanation of the scorecard methodology is available online: <http://www.sba.gov/content/small-business-procurement-goaling-scorecards>.

		2010	FY10	2009	FY09
Category	Goal	%	\$	%	\$
Small Businesses	23%	22.66%	\$97.95 billion	21.89%	\$96.83 billion
Women Owned Small Businesses	5%	4.04%	\$17.46 billion	3.68%	\$16.29 billion
Small Disadvantaged Businesses	5%	7.95%	\$34.39 billion	7.57%	\$33.48billion
Service-Disabled Veteran Owned Small Businesses	3%	2.50%	\$10.79 billion	1.98%	\$8.78 billion
HUBZone	3%	2.77%	\$11.97 billion	2.81%	\$12.41 billion

## Certified Minority and Women Business Enterprise Ethnic Extraction

The first table reflects the dollar amount change among ethnic classifications of direct contracting spend for certified minority and women from FY10 to FY11. The second and third tables reflect the distribution of direct contracting spend for certified minority and women business among ethnic classifications from FY10 to FY11.

### Table highlights

- Male and female African American owned business increased direct contracting dollars 81% and 100% respectively.
- Certified Hispanic American males accounted for approximately 60% of all male minorities spend.
- Overall minority businesses increased direct contracting dollars by 51%.

## Percent dollar amount change of direct contracting spend from FY10 to FY11

MBE	%Chg LY	WBE	%Chg LY
African American	81.06%	African American	99.80%
Subcontinent Asian	-8.54%	Subcontinent Asian	1688.67%
Hispanic American	71.24%	Hispanic American	38.23%
Native American	-100.00%	Native American	1000.00%
Asian American	29.08%	Asian American	53.29%
Total MBE	51.13%	White American	17.56%
		Total WBE	25.29%

## Direct contracting spend from FY10 to FY11

### Male Minority Owned Business

MBE	FY11 MWBE Dol	% FY11 MBE Dollar	# of Contracted MBE	# Percent of total	FY10 MBE Dol	% FY10 MBE Dollar	# of Contract MBEs	# Percent of total
African American	\$1,528,100.02	18.13%	26	49.06%	\$843,990.52	15.13%	20	52.63%
Subcontinent Asian	\$824,365.83	9.78%	8	15.09%	\$901,339.58	16.16%	6	15.79%
Hispanic American	\$5,022,068.51	59.58%	14	26.42%	\$2,932,777.90	52.58%	9	23.68%
Native American	\$0.00	0.00%	0	0.00%	\$82,121.29	1.47%	1	2.63%
Asian American	\$1,054,895.44	12.51%	5	9.43%	\$817,218.36	14.65%	2	5.26%
Total MBE	\$8,429,429.80	100.00%	53	100.00%	\$5,577,447.65	100.00%	38	100.00%

### Women Owned Business

WBE	FY11 MWBE Dol	% FY11 WBE	# of Contracted M/W	# Percent of total	FY10 WBE Dollar	FY10 WBE Dollar	# of Contracted MWBE	# Percent of total
African American	\$2,966,211.62	6.54%	14	7.82%	\$1,484,609.26	4.13%	11	7.80%
Subcontinent Asian	\$1,447,660.42	3.19%	3	1.68%	\$80,935.24	0.23%	2	1.42%
Hispanic American	\$1,180,263.89	2.60%	11	6.15%	\$853,842.27	2.38%	8	5.67%
Native American	\$74,449.38	0.16%	1	0.56%	\$0.00	0.00%	0	0.00%
Asian American	\$1,322,962.17	2.92%	6	3.35%	\$863,057.34	2.40%	3	2.13%
White American	\$38,357,883.14	84.58%	144	80.45%	\$32,628,254.14	90.86%	117	82.98%
Total	\$45,349,430.62	100.00%	179	100.00%	\$35,910,698.25	100.00%	141	100.00%

**U.S. Census Bureau, 2007 Survey of Business Owners, Preliminary Estimates of Business Ownership by Gender, Ethnicity, Race, and Veteran Status - Released July 13, 2010**

<b>Delaware</b>	<b>2007</b>	<b>Percent of Total DE Businesses</b>	<b>Direct Contracted Spend for MWBEs*</b>	<b>Percent of Number of Contracted MWBEs*</b>
Male-owned	39,093	56%		
Woman-owned	19,431	28%	84%	77%
African American-owned	6,507	9%	3%	11%
Asian-owned	3,007	4%	2%	3%
Hispanic-owned	1,538	2%	9%	6%
Native American/Alaskan- owned	0	0%	0%	0%
Hawaiian and Pacific Islander-owned	36	0%	2%	2%
<b>Total</b>	<b>69,612</b>		<b>\$53.78 million</b>	<b>232</b>

\* Data includes businesses not located in Delaware

**The below table reflects the number of certified minority and women business enterprises**

**Table highlights**

- 2026 total certified minority and women owned businesses
- 832 Delaware certified minority and women business enterprises.
- 1,194 Non Delaware certified firms.

<b>Male Minority Owned Business</b>	<b>Total Certified</b>	<b>% of certified MBEs</b>
African American	518	68%
Subcontinent Asian	127	17%
Hispanic American	13	2%
Native American	16	2%
Asian American	84	11%
<b>Total MBE</b>	<b>758</b>	<b>100%</b>

<b>Women Owned Business</b>	<b>Total Certified</b>	<b>% of certified WBEs</b>
African American	219	17%
Subcontinent Asian	51	4%
Hispanic American	43	3%
Native American	5	0%
Asian American	37	3%
White American	911	72%
<b>Total Women Owned</b>	<b>1268</b>	
<b>Total Certified M/WBEs</b>	<b>2026</b>	

## Top Two Digit North American Industry Classification System (NAICS) codes

The below table includes direct certified minority and women business enterprise spend inclusive of P-card purchases. The table also displays the number of certified businesses within the two digit prefix for NAICS codes.

### Table highlights

- The construction NAICS coded minority and women businesses are approximately \$16 million of MWBE spend, which is 30% of total minority and women business enterprise spend.
- The professional, scientific, and technical Services NAICS coded minority and women businesses are approximately \$16.6 million of MWBE spend, which is 30% of total minority and women business enterprise spend.
- The wholesale trade NAICS coded minority and women businesses are approximately \$10.1 million of MWBE spend, which is 19% of total minority and women business enterprise spend.
- The highest concentration of certified minority and women business is in Professional, Scientific, and Technical Services sector.

NAICS Description	Total Certified MWBEs	FY11 MWBE Direct Spend
Agriculture, Forestry, Fishing and Hunting	8	\$0.00
Mining, Quarrying, and Oil and Gas Extraction	3	\$0.00
Utilities	17	\$57,572.50
Construction	499	\$16,026,678.06
Manufacturing	224	\$1,687,843.97
Wholesale Trade	239	\$10,135,136.58
Retail trade	100	\$635,277.99
Transportation and Warehousing	91	\$393,056.84
Information	108	\$466,871.20
Finance and Insurance	51	\$0.00
Real Estate and Rental and Leasing	39	\$27,788.95
Professional, Scientific, and Technical Services	940	\$16,612,004.35
Management of Companies and Enterprises	3	\$0.00
Administrative and Support and Waste Management and Remediation Services	398	\$2,490,553.70
Educational Services	117	\$3,491,466.13
Health Care and Social Assistance	88	\$1,450,221.06
Arts, Entertainment, and Recreation	18	\$250.00
Accommodation and Food Services	10	\$2,088.67
Other Services (except Public Administration)	115	\$302,050.42
Public Administration	33	\$0.00
Total Direct Spend		\$53,778,860.42

## Top Minority and Women Business Enterprise Direct Spend for United Nation Services and Products Specification Code (UNSPSC)

- The top 30 UNSPSC codes account for 73% of the total MWBE spend
- Miscellaneous UNSPSC accounted for 4.08% of the total MWBE spend

UNSPSC	UNSPSC Description	Sum of UNSPSC	\$ of Total M/WBE
80000000	Management and Business Profes	\$3,486,023.08	6.71%
51000000	Drugs and Pharmaceutical Produ	\$2,810,223.02	5.41%
52161600	Audio visual equipment accesso	\$2,790,560.30	5.38%
85000000	Healthcare Services	\$2,603,975.22	5.02%
46161504	Traffic signals	\$2,555,618.70	4.92%
72102900	Facility maintenance and repai	\$2,425,468.33	4.67%
99999999	Miscellaneous	\$2,120,773.76	4.08%
82101800	Advertising agency services	\$2,054,049.27	3.96%
72000000	Building and Facility Construc	\$1,952,775.37	3.76%
72151500	Electrical system services	\$1,247,120.22	2.40%
56101500	Furniture	\$1,186,485.77	2.29%
72141100	Infrastructure building and su	\$1,113,981.03	2.15%
72121100	Commercial and office building	\$1,103,458.70	2.13%
43210000	Computer Equipment and Accesso	\$969,223.70	1.87%
86000000	Education and Training Service	\$866,157.17	1.67%
30000000	Structures and Building and Co	\$857,263.72	1.65%
56000000	Furniture and Furnishings	\$800,482.39	1.54%
76110000	Cleaning and janitorial servic	\$799,327.27	1.54%
60100000	Developmental and professional	\$788,733.97	1.52%
81112200	Software maintenance and suppo	\$716,793.56	1.38%
72121103	Commercial and office building	\$654,294.80	1.26%
43230000	Software	\$648,280.43	1.25%
56101700	Office furniture	\$644,620.00	1.24%
85122108	Speech or language therapy	\$609,320.65	1.17%
72151511	Lighting system maintenance or	\$588,187.85	1.13%
81111800	System and system component ad	\$551,167.10	1.06%
46171600	Surveillance and detection equ	\$523,893.16	1.01%
72152601	Roofing service	\$482,102.25	0.93%
80111600	Temporary personnel services	\$422,859.49	0.81%
55121734	Sign sheeting material	\$400,828.06	0.77%
	<b>Total</b>	<b>\$38,774,048.34</b>	

## Top Minority and Women Business Enterprises Direct Spend

- 30 of 232 contracted MWBE vendors accounted for 80% of MWBE spend.

Company	FY 2011 Spend
Visual Sound, Inc.	\$5,700,262.39
Imperial Environmental Services	\$4,211,810.27
Arise Consulting, Inc.	\$3,300,241.95
J. A. Bryant & Sons, Inc.	\$2,765,822.17
The Star Group Communications, Inc.	\$2,660,730.22
Deborah C. Smith-Coles, Inc.	\$1,945,123.73
Eastern Shore Electrical Services, Inc.	\$1,871,827.17
A. Bryant & Son, Inc.	\$1,825,122.23
Advantage Management Inc.	\$1,775,415.65
Capital Reliance, Inc.	\$1,737,846.45
Del International Corp.	\$1,600,740.34
Delaware Energy Corporation	\$1,500,840.15
Baroness Childs, Inc.	\$845,890.75
Longmire, Inc.	\$834,742.15
McKenna's Services, A Team Corp.	\$820,540.46
Marshall & Marshall, Inc.	\$781,921.36
Right to Relax Bedding Systems, Inc.	\$740,541.17
Delco of Del., Inc. & DB	\$710,172.45
Resurgence Media LLC	\$654,872.55
Del-Tech Detection II LLC	\$610,685.71
Delco, Inc.	\$600,160.50
Delco North, Inc.	\$570,012.15
Corporate Services, Inc.	\$560,401.56
CDM International, Inc.	\$540,016.17
PAE Holding Inc.	\$531,649.25
Delmarva Bedding & Bedding, Inc.	\$520,532.71
Delaware Protective Company	\$510,421.15
Delaware Highway Products, Inc.	\$480,050.45
Delco, Inc.	\$470,140.00
Delco International, Inc.	\$370,914.45
Total	\$44,207,276.23

## Minority and Women Business Subcontracting/2<sup>nd</sup> Tier Report

Government Support Services has received subcontracting information on seven central contracts. It should be noted that this is a new request in the reporting process and we anticipate as new contracts are awarded vendors will be more responsive to reporting MWBE subcontracting spend.

- Office Depot, Fastenal, Fischer Scientific, L-3 Communication, Staples, Grainger and USA Mobility submitted 2<sup>nd</sup> tier information.
- There was an increase of 125% from the first half of FY11.
- The submitted 2<sup>nd</sup> tier reports accounted for approximately 50 MWBEs.

Date Range	Amt Reported
FY11 Q1-Q2	\$66,695.24
FY11 Q3-Q4	\$151,768.73
<b>FY11 Total</b>	<b>\$218,463.97</b>

### Delaware Transit Corporation (DTC)

There was approximately \$62 million in the State financial system labeled as miscellaneous to the Delaware Transit Corporation. Although DTC is not an executive agency efforts have been made to continue to collect MWBE data in FY12.

- In FY11, a total of \$577,769.40 was distributed among 14 certified MWBEs.
- Three of the MWBE firms are on Government Support Services central contract.
- Two of the vendors attended the Contractors Assistance Participation Series (CAPS).
- One MWBE vendor accounted for approximately 35% of the total spend and it should be noted that this MWBE was made aware of the opportunity from OMWBE's outreach efforts.



## Delaware State Housing Authority (DSHA)

DSHA made significant efforts to identify MWBE spend for pass thru funding.

- The certified MWBE direct spend represents approximately 4.9% of DSHA total spend.
- There was approximately \$4 million reported for self certified MWBEs in the Community Development Block Grants and Home program.
  - One self certified MWBE accounted for 95% of the MWBE spend for the Home program.

Delaware State Housing Authority	DSHA FY11	MWBE
DSHA Operations/Public Housing	\$2,836,989.00	\$167,264.00
Community Development Block Grant	\$1,518,891.00	\$6,065.00
Community Development Block Grant - R	\$675.00	\$675.00
Home	\$4,060,270.00	\$240,988.00
Total	\$8,416,825.00	\$414,992.00

## Federal Disadvantaged, Minority and Women Owned programs

The Delaware Department of Transportation (DelDOT) is a recipient of funds from the USDOT and DNREC and DHSS are recipients of Environmental Protection Agency (EPA) funding, which have disadvantaged business enterprise (DBE) goals. DelDOT is the only agency with a robust public works subcontracting process and this presents an opportunity to implement similar system statewide. The below table reflects the DBE subcontracting payments for FY11 to FY10.

### Table Highlights

- 24 different DBEs subcontracted with DelDOT and subcontracting payments totaled \$6,920,209.07.
- Although the sum total DBE payments decreased compared to FY10 there was an increase in participation from FY10 for male minority businesses.

MBE	FY11 DBE Dollar	# of Contracted MBEs	FY10 DBE Dollar	# of Contract MBEs
African American	\$920,423.21	5	\$1,156,068.51	3
Subcontinent Asian	\$412,158.61	2	\$574,364.68	1
Hispanic American	\$125,652.50	2	\$233,464.43	2
Native American	\$6,475.00	1	\$112,987.25	1
Asian American	\$0.00	0	\$0.00	0
Total MBE	\$1,464,709.32	10	\$2,076,884.87	7

WBE	FY11 DBE Dollar	# of Contracted M/WBE	FY10 DBE Dollar	# of Contracted MWBE
African American	\$0.00	0	\$0.00	0
Subcontinent Asian	\$0.00	0	\$0.00	0
Hispanic American	\$3,660.80	1	\$7,321.60	1
Native American	\$0.00	0	\$0.00	0
Asian American	\$0.00	0	\$0.00	0
White American	\$5,451,838.95	14	\$5,433,158.94	16
Total	\$5,455,499.75		\$5,440,480.54	17

# Statewide Recommendations for Supplier Diversity

## Improvements

- The Contractors Assistance Participation Series (CAPS) training model achieved great success based on partnerships in the public and private sector. With the participation from major prime contractors, industry experts and business development organizations such as Skanska, the Small Business Administrations, EDiS, Turner Construction, Pettinaro, Associated Builders and Contractors of Delaware, Division of Facilities Management, Bancroft, HR Strategies, The City of Wilmington, Surety Bonding Associates, Cheyney University's Disadvantaged Business Enterprise Supportive Services Center, M&T Bank, First State Community Loan Fund, Construction Project Management Services, Inc, InSource Help, the Procurement Technical Assistance Center (PTAC). It is recommended that this model be broadened to capture additional industries.
- Forecast potential upcoming opportunities, based on contract expiration dates and create an environment to encourage partnerships and transparency. This has been consistently practiced by Government Support Services (GSS) and the Department of Health and Social Services. This could have contributed to the high participation among MWBE vendors.
- Engage agency financial personnel to increase the integrity in data analysis by reviewing all vendor spend data with OMWBE. In the absence of a complete vendor management system, this engagement will ensure the accuracy in MWBE percent spend analytics.
- Encourage use of labeled MWBEs on the Government Support Services central contracting web site if contract is multi awarded (i.e. staffing, furniture, fasteners, network services, network hardware, dry cleaning services, towing services, packaged software & Microsoft Select Software). This will increase the MWBE spend for MWBEs that have already been awarded contracts.
- Report success, challenges and opportunities to the Office of Minority and Women Business Enterprise and provide Cabinet level support for supplier diversity reporting.
- Leverage open enrollment contracting opportunities such as the vendor IT staff augmentation contract. These types of contracting arrangements allow greater detailed analysis of exposure to contracting opportunities.

- Develop a method to identify the vendor socio-economic demographics of the vendor population. Currently, there is not a process to identify the entire population of vendors including industry type, nonprofit status, minority or women business classification, veteran owned status etc. This will result in greater accuracy of vendor spend analytics and potentially increase the opportunities for MWBEs.
- An initial complementary analysis by D&B – Dun & Bradstreet identified approximately 30 veteran owned businesses that were on Government Support Services (GSS) central contract compared to the 5 currently listed.
- Participate in the Governor’s Entrepreneurial Conference, the City of Wilmington’s MegaBizfest and communicate and coordinate any agency outreach workshops with OMWBE. A report of the liaison participation in outreach events can be found in the appendix.
- Encourage applicable businesses to complete OMWBE certification. Each agency MWBE liaison has a listing of contracted self-registered W-9 minority and women contracted vendors. This will result in an increase of certified MWBE spend for Delaware.
- Request construction contractors and all other vendor(s) to report minority and women business enterprise subcontracting spend to the Office of Minority and Women Business Enterprise utilizing the subcontracting form posted on the OMWBE web site.
- Forward awarded contractors information and prebid attendee information to central contracting to post bids.delaware.gov to increase transparency.
- Utilize OMWBE database for smaller purchases not on contract and report to OMWBE using the under threshold solicitation form and provide Cabinet level support for reporting.
- Support Government Support Services contract delegation process, whereby increasing transparency and outreach to MWBE vendor community.

# Agency Specific Highlights and Recommendations

## Executive (OMB)

- An analysis of the data identified Human Resource Management - Statewide Training and Criminal Justice Council as the only two divisions, which accounted for the only two MWBEs that were not on a Government Support Services central contract, which indicates a greater need for exposure for under threshold opportunities.
- Although the Division of Facilities Management accounted for approximately 80% of the agency MWBE spend, there were minimal results for non advertised small public works projects secured by contractors on the DFM contractors' registry, which was created to expose MWBE to smaller projects.
- The Government Support Services (GSS) contracting staff has increased awareness of central contracting opportunities using sourcing tools including the OMWBE directory and the Dynamic Small Business directory. In addition to increasing outreach initiatives, the contracting team continued to increase transparency and provide tools to even the playing field by posting all relevant business intelligence data on mymarketplace.delaware.gov.
  - The amount of MWBE direct spend for GSS managed contracts increased from \$3.5 million in FY10 to \$11.2 in FY11, which is approximately an increase of \$7.4 million.

## Delaware Economic Development Office (DEDO)

- An analysis of financial data revealed, DEDO provided approximately \$60,000 in financial assistance to four certified MWBEs.
  - Two of the firms increased their business with the State from FY10.
- The procurement opportunities were minimal, but the office utilized six MWBEs that were not on the GSS central contract and utilized a MWBE for significant economic development project.
- Foster an environment conducive of supplier diversity and encourage diverse business relationships with financially assisted companies with economic development funding for example Johnson Controls, Fisker, Bloom Energy and former Valero plant and request MWBE subcontracting information for respective project.
- The agency can be a potential resource to research and provide support for companies that are experiencing bonding challenges.

## Delaware State Housing Authority (DSHA)

- The agency liaison worked with OMWBE to increase transparency for agency pass thru funding by reporting Community Development Block Grant Information.
- The agency included a panel on supplier diversity at the Governor's Housing conference.
- It is recommended the agency liaison continue to work with OMWBE to assist in identifying all certified MWBEs and leverage the OMWBE database to run Access queries to ensure all MWBE were identified in addition to strongly encouraging self certified MWBEs to go through the official OMWBE certification.

## Department of Technology & Information (DTI)

- Data analysis revealed an increase in purchases from the Government Support Services (GSS) central contract for MWBE vendors for office furniture and audio visual services.
- The agency liaison worked with SHI and Microsoft to complete the Microsoft change of reseller process for both of OMB's master agreements and as a result of the coordinated efforts between the vendors and DTI, the MWBE certified vendor was transitioned as the new reseller with minimal inconvenience.
- The department also utilized two MWBE for smaller non advertised purchases not on central contract.
- DTI co-sponsored the vendor IT staff augmentation open-enrollment contracting opportunity.
- The department supported the Government Support Services contract delegation process.
- It is recommended that DTI continue assisting in the technology purchases and assist in instructing the agencies on opportunities to increase supplier diversity.

## Department of State (DOS)

- The data revealed a significant amount of the agencies funding was awarded to for IT temporary personnel services and general IT services. This may present an opportunity to utilize the IT vendor managed staffing contract to increase opportunities for MWBEs and utilize the MWBEs on the Government Support Services central contract.
- The agency's significant increase from FY10 can be attributed to increased utilization from Government Support Services central contract in addition to increased exposure to small non advertised opportunities.

- The agency has included OMWBE in business development opportunities such as the Exporting Initiative.
- The Division of Professional regulation has been identified as an excellent entry point to recruit applicable business and encourage certification.

## Finance

- Approximately 80% of the agency MWBE spend was distributed to one vendor for public relations and advertising.
- The data from the W-9 online form is a critical data element that assists with outreach and determining potential MWBE and veteran owned business. The entire table with all data elements should be forwarded to OMWBE on a quarterly basis.
- The agency liaison was extremely active in recruiting the W-9 self registered MWBEs, assisting OMWBE identify accurate spend analysis and requesting subcontracting information from prime vendors.
- It is recommended the agency develop relationships with companies that provide lottery services. This industry has been identified in many states as a way to increase supplier diversity.

## Department Health Social Services (DHSS)

- The data revealed the agency had the highest number of MWBE utilization for small non advertised purchases, which are represented by the significant sum total of purchases under \$50,000 not on identified Government Support Services (GSS) central contract.
  - There were approximately 35 MWBE vendors with sum totals for FY11 under \$50,000
- There was approximately \$4.4 million spent with medical transportation company and this presents a significant opportunity for subcontracting reporting.
- The agency liaison and representatives participated in all requested outreach events and provided support when requested from OMWBE.
- Approximately 44% of the total agency MWBE spend was driven by DHSS contract vendors and 36% was central Government Support Services (GSS) central contracts.

## **Division of Services for Children Youth and Families (DSCYF)**

- There was approximately \$20.6 million distributed for comprehensive health services. This could present an opportunity for further transparency and preparing applicable MWBEs to respond to future opportunities. It should be noted there was a significant spike in the FY11 spend data compared to FY10 data. The FY10 methodology extracted hospital and rehabilitation data from the adjusted spend which could have accounted lower department spend in FY10
- Management and Business Professional services accounted for approximately \$2.6 million of the agency FY11 funding classification, which represents an opportunity for transparency and inclusion.
- The agency will begin to collect gender and ethnic data for day cares in the licensing process.

## **Department of Corrections (DOC)**

- Although the agency showed a significant increase in the dollar amount awarded to MWBEs, the increase was attributed to one vendor in the healthcare/pharmacy industry.
- There was also a significant MWBE spend within the HVAC industry and medical testing industry.
- The agency data also revealed two MWBE construction companies that sum totals were under the mandatory advertised threshold, which indicates utilization for MWBE for small construction projects.
- There was approximately \$32 million distributed to two non MWBEs for personal care services and rehabilitation services which may present an opportunity for MWBE 2<sup>nd</sup> tier reporting and potential partnering opportunities for MWBEs.

## **Department Natural Resources and Environmental Control (DNREC)**

- Three MWBE vendors accounted for 70% of spend and industries were IT, environmental and engineering.
- The remaining 30% of MWBE's average spend was approximately \$10,000 and which potentially indicates the platform for growth in FY12.
- The agency data indicated the opportunity to increase utilization of MWBEs for specific products/services on GSS central contracts with multiple vendors such as office furniture, lubricants, portable toilets and temporary staffing.



- It should be noted that there was a significant increase in the adjusted spend calculation from FY10. This is as a result of different accounting system coding and inclusion of Environmental Protection Agency (EPA) funded projects revolving loan fund for sewer construction and weatherization.
- It is recommended the agency increase transparency for agency pass thru funding and submit requested supporting information for contracting opportunities .
  - Environmental Protection Agency (EPA) funding to counties – Encourage the prime contractors and respective counties to report this information to the agency or the Office of Minority and Women Business Enterprise.
  - Energy Office –Energy Efficiency and Conservation Block Grant Program.

### **Department Safety Homeland Security (DSHS)**

- 85% percent of the MWBE spend was attributed to two vendors successfully bidding on agency specific contract which were public relations and video surveillance.
- Community outreach, janitorial services, IT services and construction were all industries utilized by the agency for MWBEs that were not on central contract. This could potentially present the opportunity for growth in FY12.
- There was approximately \$10.1 million awarded for management and business professional consulting services. It is unclear, what specific services were utilized and greater transparency could present an opportunity for 2<sup>nd</sup> tier reporting and non advertised opportunities.

### **Delaware Department of Transportation (DOT)**

- Agency representatives participated in all outreach events in addition to participating in a total of eight certification workshops. It is recommended that a more integrated approach be leveraged, to discuss how to do business with the agency and discuss the agency supportive services for disadvantaged business enterprises.
- The agency has identified methods to collect subcontracting payment for federally funded highway projects and this represents a significant amount of MWBE dollars. It is understood that it will take additional resources, but this represents a significant opportunity to increase opportunities for MWBEs on construction and consulting projects.

- The agency represented one of the highest sums for MWBE in direct contract award dollar amounts. This could potentially be a result of the federally funded disadvantaged business enterprise program and supportive services provided for DBEs.
- It is recommended that the agency identify if an awarded consultant on the shortlist is a MWBE, similar to [mymarketplace.delaware.gov](http://mymarketplace.delaware.gov), to increase the visibility of MWBEs.

## Department of Labor (DOL)

- Data analysis reviewed approximately \$2.1 million for training and education. This may present an opportunity to include MWBEs in the strategic plan for future opportunities.
- A small amount of funding was labeled for auditing services to large, prime contractor which could have presented an opportunity for MWBE to be included in the solicitation.

## Agriculture

- Although the MWBE spend was minimal for this agency, line item details analysis reveals that the agency can increase the communication for applicable MWBEs to certify with OMWBE.
- It is also unclear the specific services contracted to the University of Delaware for management and professional services.
- The agency liaison played a critical role in communicating the importance of 2<sup>nd</sup> tier reporting to a major supplies vendor.

## National Guard

- Although the agency MWBE spend was less than FY10, it should be noted the agency liaison has submitted reports to OMWBE displaying the outreach for under threshold public works projects.
- As a result of receiving federal funds, the agency can leverage the federal supplier diversity reporting metrics for the state funded projects.

## Department of Education (DOE)

- There was approximately \$4.9 million awarded to the University of Delaware for education and training services, management and business professionals and administrative services. It is recommended that greater transparency be applied to these opportunities, whereby increasing opportunities for MWBEs.
- The agency utilized three MWBEs that were not on Government Support Services (GSS) central contract, which is an indication of communicating non advertised opportunities to MWBEs.

## Appendix

### Direct certified minority and women business enterprise spend for FY06 – FY11 excluding subcontracting

Department	FY11 MWBE	FY10 MWBE	FY09 MWBE	FY08 MWBE	FY07 MWBE	FY06 MWBE
Legislative	\$2,350.00	\$955.64	\$234.00	\$1,150.00	\$0.00	\$5,036.43
Judiciary	\$510,014.14	\$448,496.42	\$310,289.20	\$341,362.92	\$348,442.75	\$354,834.43
Executive	\$3,507,968.51	\$2,329,820.59	\$2,756,045.13	\$2,552,490.58	\$4,672,264.73	\$2,389,440.61
Technology	\$179,973.11	\$19,585.69	\$22,488.69	\$23,909.00	\$150,058.00	\$48,462.85
Other Elective	\$94,091.90	\$80,827.32	\$79,525.89	\$76,767.98	\$172,428.64	\$86,547.66
Legal	\$210,553.35	\$63,928.07	\$87,621.37	\$214,347.40	\$107,791.71	\$61,793.74
State	\$708,416.27	\$266,947.08	\$635,024.22	\$935,590.19	\$708,604.89	\$389,696.77
Finance	\$2,641,591.13	\$2,643,505.53	\$2,501,365.97	\$3,084,497.35	\$2,674,712.50	\$830,940.18
DHSS	\$3,986,562.78	\$3,400,058.06	\$2,011,189.49	\$2,808,905.89	\$3,545,280.81	\$2,635,345.19
DSCYF	\$816,275.71	\$680,889.97	\$176,704.41	\$232,748.80	\$279,581.13	\$249,717.75
Correction	\$6,161,034.07	\$79,007.87	\$535,403.47	\$372,067.03	\$147,230.00	\$152,496.63
DNREC	\$1,059,141.15	\$1,691,786.52	\$4,304,981.46	\$4,862,189.17	\$8,219,047.33	\$5,172,008.69
DSHS	\$2,941,056.16	\$1,476,999.28	\$207,692.88	\$234,698.95	\$248,057.23	\$248,992.40
DelDOT	\$7,653,903.99	\$4,948,956.98	\$3,260,533.29	\$6,276,713.19	\$3,887,539.16	\$5,492,863.12
Labor	\$826,473.61	\$1,096,043.83	\$410,505.04	\$510,804.89	\$497,589.11	\$722,217.42
Agriculture	\$10,917.54	\$23,699.88	\$31,281.47	\$11,358.17	\$35,005.28	\$33,582.51
Elections	\$138,595.00	\$10,593.00	\$91,589.00	\$76,598.68	\$70,588.27	\$20,002.04
Fire	\$7,985.16	\$6,134.75	\$4,494.15	\$56,811.03	\$12,285.46	\$32,437.46
Natl Guard	\$448,012.31	\$748,013.80	\$366,105.58	\$185,599.55	\$369,160.20	\$284,343.77
Exc. Citizens	\$2,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$510.00
Higher Ed	\$1,433,361.49	\$1,740,719.94	\$813,420.08	\$1,213,796.83	\$1,571,207.53	\$1,477,239.64
Education	\$20,438,483.04	\$19,729,907.33	\$22,170,194.00	\$14,099,179.40	\$13,720,713.89	\$16,399,096.72
Total	\$53,778,860.42	\$41,486,877.55	\$40,776,688.79	\$38,153,484.45	\$41,437,588.62	\$37,087,606.01

## Liaison attendance for outreach events

Department	10.10 Mega Bizfest	DelMarVA Business Opportunity Breakfast	6. 11 SBA Match Making	6.11 Entrepreneurial Conference
Executive - GSS	Y	Y	Y	Y
DSHA	Y			N
DEDO	Y			Y
Technology	Y		Y	Y
State	N			Y
Finance	Y			Y
DHSS	Y	Y	Y	Y
DSCYF	Y	Y	Y	N
Correction	Y	Y		N
DNREC	N			N
DSHS	N	Y		N
DeIDOT	Y		Y	Y
Labor	N			Y
Agriculture	Y			N
Natl Guard	Y			N
Education	Y			Y